

Message Text

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ACTION ACDA-10

INFO OCT-01 EUR-12 EA-09 NEA-10 IO-10 ISO-00 ACDE-00 OIC-02

AF-06 ARA-10 CIAE-00 INR-07 L-03 NSAE-00 NSC-05 EB-07

NRC-07 OES-05 FEAE-00 DODE-00 /104 W

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P 221440Z SEP 75

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC PRIORITY 6409

INFO AMEMBASSY ISLAMABAD

AMEMBASSY PARIS

AMEMBASSY SEOUL

USERDA GERMANTOWN PRIORITY

UNCLAS SECTION 1 OF 2 IAEA VIENNA 8064

EO 11652: NA

TAGS: AORG, OCON, IAEA, PARM

SUBJECT: IAEA BOARD OF GOVERNORS MEETING, SEPTEMBER 19, 1975

DEPT PASS NRC

SUMMARY: ALL ITEMS PLACED BEFORE BG FOR CONSIDERATION WERE APPROVED. ONLY DEBATE OF ANY CONSEQUENCE WAS ON ROK/IAEA/France TRILATERAL SAFEGUARDS AGREEMENT, INCLUDING NOTEWORTHY FRENCH STATEMENT RE PAYMENT OF SAFEGUARDS COSTS (SEE PARA 4 BELOW). END SUMMARY.

1. IN SHORT (LESS THAN TWO HOURS) SESSION SEPTEMBER 19, BG APPROVED: (A) EURATOM/IAEA COOPERATION AGREEMENT; (B) ROK/IAEA/France TRILATERAL SAFEGUARDS AGREEMENT; (C) ROK/IAEA NPT SAFEGUARDS AGREEMENT; (D) DESIGNATION OF NEW SAFEGUARDS INSPECTORS; (E) MEMBERSHIP APPLICATIONS OF QATAR AND UNITED ARAB EMIRATES; (F) AMENDMENTS TO PROVISIONAL STAFF REGULATIONS TO IMPROVE STATUS OF WOMEN EMPLOYEES; AND (G) TRANSFER OF FUNDS BETWEEN SECTIONS OF 1975 REGULAR BUDGET APPROPRIATIONS.

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2. CONSIDERATION OF ROK/IAEA/France TRILATERAL SAFE-

GUARDS AGREEMENT PROMPTED EXTENSIVE DEBATE, WITH INDIA AND PAKISTAN, SUPPORTED BY ARGENTINA (SPEAKING ON BEHALF OF BRAZIL, PERU, AND VENEZUELA), EXPRESSING SERIOUS RESERVATIONS AND CONCERN ABOUT INTRODUCING "NEW CONCEPTS" INTO IAEA SAFEGUARDS AGREEMENTS, I.E., APPLICATION OF SAFEGUARDS ON NUCLEAR FACILITIES AND "SPECIFIED EQUIPMENT" WHICH ARE DESIGNED, CONSTRUCTED OR OPERATED ON BASIS OF OR BY USE OF "SPECIFIED INFORMATION". FRANCE, JAPAN, PHILIPPINES, U.S.A., FRG, UK, CANADA AND SOUTH AFRICA ALL EXPRESSED SUPPORT FOR TRILATERAL, AND IN VARYING DEGREES POINTED OUT THAT IT WAS FULLY CONSISTENT WITH AGENCY'S STATUTE AND SAFEGUARDS DOCUMENT (INFCIRC/66/REV.2) AND THERE WERE NO RPT NO NEW PRINCIPLES INVOLVED. THE ONLY THING "NEW", WAS THE "TRIGGER MECHANISM" FOR APPLYING SAFEGUARDS.

3. DETAILS OF BG DEBATE ARE AS FOLLOWS: DG LED OFF DEBATE WITH STATEMENT STRESSING THAT RESPONSIBILITY FOR DESIGNING "SPECIFIED INFORMATION" UNDER THIS AGREEMENT IS SOLE RESPONSIBILITY OF SUPPLIER AND THAT AGENCY WOULD NOT RPT NOT RECEIVE ANY SUCH INFORMATION AND WHICH NOT RPT NOT SAFEGUARD INFORMATION AS SUCH. AS SPECIFIED IN AGREEMENT, AGENCY WOULD SAFEGUARD ONLY ITEMS LISTED ON INVENTORY. DG ALSO NOTED THAT IF DIFFERENCES ARISE DURING COURSE OF IMPLEMENTATION OF THIS AGREEMENT, E.G., OVER DESIGNATION OF "SPECIFIED INFORMATION", SECTION 24 OF AGREEMENT CONTAINS USUAL ARBITRATION PROVISIONS WHICH WOULD BE INVOKED IF NECESSARY.

4. FRENCH DEL NOTED THAT THIS WAS THIRD SAFEGUARDS AGREEMENT IT HAD SUBMITTED FOR BG CONSIDERATION, AND INDICATED THAT FRANCE WOULD IN FUTURE RELY ON AGENCY TO GREATER EXTENT FOR APPLICATION OF SAFEGUARDS IN CONNECTION WITH ITS NUCLEAR EXPORTS. SIGNIFICANTLY, FRENCH DEL STATED THAT, WHILE GOF MAINTAINED ITS WELL-KNOWN POSITION WITH RESPECT TO SAFEGUARDS FINANCING, FRANCE WOULD NOT RPT NOT LONGER DEDUCT A SYMBOLIC AMOUNT FROM ITS ASSESSMENTS TO AGENCY'S UNCLASSIFIED

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REGULAR BUDGET, WHICH IT HAD DONE PREVIOUSLY IN CONTEXT ITS OBJECTION TO PRINCIPLE OF IMPOSING SAFEGUARDS COSTS ON ALL MEMBER STATES. (UNDERSTAND FRENCH DEDUCTION IN PAST WAS ON ORDER OF \$50,000 PER YEAR.).

5. INDIAN DEL INDICATED IT WAS NOT RPT NOT HIS INTENTION TO STAND IN WAY OF ROK ACQUISITION OF NUCLEAR EQUIPMENT,

ETC., BUT REFERRED TO HIS STATEMENT AT JUNE BG RE CONCERN ABOUT INTRODUCING "NEW CONCEPTS" INTO AGENCY SAFEGUARDS AGREEMENT. SPECIFICALLY, HE OBJECTED TO INTRODUCTION OF CONCEPT OF "SAFEGUARDING INFORMATION", SINCE THIS IS NOT RPT NOT AUTHORIZED BY AGENCY STATUTE OR SAFEGUARDS DOCUMENT AND CAN INHIBIT INDIGENOUS DEVELOPMENT OF NUCLEAR PROGRAMS IN MEMBER STATES. ACCORDINGLY, HE STATED THIS CONCEPT WAS NOT ACCEPTABLE IN PRINCIPLE.

6. JAPAN WELCOMED "NEW CONCEPT" IN THIS AGREEMENT AND EXPRESSED SUPPORT FOR IT.

7. TURKISH DEL NOTED THAT THERE WERE TWO SAFEGUARDS AGREEMENTS BEING CONSIDERED BY BG WITH RESPECT TO ROK, WHICH HE FELT WAS DUPLICATION, AND INQUIRED RE POSSIBILITY OF DROPPING TRILATERAL TO EXPEDITE BG'S CONSIDERATION OF THIS MATTER.

8. IN LONG WINDED STATEMENT, PAKISTANI DEL SHARED SOME CONCERNS ALREADY EXPRESSED, ALTHOUGH HE WELCOMED NPT SAFEGUARDS AGREEMENT FOR ROK. IN VIEW OF NPT SAFEGUARDS AGREEMENT, HE COULD SEE NO RPT NO NEED FOR TRILATERAL AND WONDERED WHETHER OTHERS CONSIDERED IT NECESSARY BECAUSE NPT WAS INADEQUATE. IF SO, HE FELT THIS ANOTHER SUBJECT WHICH SHOULD BE CONSIDERED SEPARATELY. HE EXPRESSED SERIOUS RESERVATIONS ABOUT TRILATERAL, PARTICULARLY RE NEW "INFORMATION CONCEPT", WHICH HE CONSIDERED A RADICAL STEP. HE EMPHASIZED THAT THIS WAS MATTER OF PRINCIPLE, AND OBJECTED PARTICULARLY TO FACT THAT SUPPLIER STATE, IN EFFECT, HAD UNILATERAL RIGHT TO DESIGNATE INFORMATION WHICH WOULD TRIGGER SAFEGUARDS, IN ACCORDANCE

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WITH SECTION 5(C) OF AGREEMENT. WHILE ACKNOWLEDGING THAT AGENCY SAFEGUARDS DOCUMENT MENTIONS INFORMATION, IT LIKEWISE MENTIONS THAT AGENCY SHALL IMPLEMENT SAFEGUARDS IN MANNER DESIGNED TO AVOID HAMPERING A STATE'S ECONOMIC OR TECHNOLOGICAL DEVELOPMENT. IN VIEW CONCERNS EXPRESSED ABOUT THIS AGREEMENT, HE PROPOSED MEETING BETWEEN SUPPLIERS AND RECIPENT STATES MEMBERS OF AGENCY TO THRASH OUT QUESTION RE TRIGGERING OF SAFEGUARDS FROM TECHNOLOGICAL INFORMATION, AND THAT THESECRETARIAT SHOULD FIRST CONVENE A PANEL OF EXPERTS TO STUDY THIS QUESTION.

9. PHILIPPINE DEL EXPRESSED SUPPORT FOR TRILATERAL, NOTING DG'S STATEMENT AT NPT REVCON WHICH STRESSED IMPORTANCE OF EXTENDING SAFEGUARDS TO FULL FUEL CYCLE

IN STATES WITH NUCLEAR PROGRAMS. HE THEN WENT ON, HOWEVER, PICKING UP FROM PAKISTANIA' PROPOSAL FOR SUPPLIER/RECIPIENT MEETING, AND PROPOSED THAT SUCH GROUP SHOULD ALSO CONSIDER QUESTION OF SAGEGUARDS FINANCING, WHICH, ACCORDING TO CONSENSUS ACHIEVED IN 1970, IS TO BE REVIEWED AS SOON AS POSSIBLE AFTER 1975. HE ALSO INDICATED THAT IT WAS TIMELY TO CONSIDER REVIEW OF AGENCY'S SAFEGUARDS DOCUMENT, INFCIRC/55/REV.2, AND SUGGESTED THAT PERHAPS BG SHOULD CREATE "SAFEGUARDS COMMITTEE" TO EXAMINE THESE MATTERS.

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ACTION ACDE-00

INFO OCT-01 EUR-12 EA-09 NEA-10 IO-10 ISO-00 OIC-02 AF-06

ARA-10 ACDA-10 CIAE-00 INR-07 L-03 NSAE-00 NSC-05

EB-07 NRC-07 OES-05 FEAE-00 DODE-00 /104 W

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TO SECSTATE WASHDC PRIORITY 6410

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10. U.S. DEL WELCOMED TRILATERAL, NOTING THAT IT HAD NUMBER OF INTERESTING FEATURES WHICH U.S. STRONGLY SUPPORTED FROM STANDPOINT OF EFFECTIVE SAFEGUARDS. U.S. DEL WENT ON TO NOT THAT TIS AGREEMENT WAS FULLY CONSISTENT WITH AGENCY'S STATUTE AND SAFEGURDSD DOCUMENT AND THAT NO RPT NO NEW SAFEGUARDS PRINCIPLES WERE INVOLVED. U.S. DEL ALSO NOTED THAT IN SUPPORTING THIS SAFEGUARDS AGREEMENT, HE WISHED TO MAKE CLEAR THAT, AS IN CASE OF OTHR TRILATERAL SAFEGUARDS AGREEMENTS THAT COME BEFORE BG, U.S. WAS NOT RPT NOT EXPRESSING VIEWS WITH RESPECT TO ANY SPECIFIC TRANSACTIONS WHICH MIGHT TAKE PLACE BETWEEN COUNTRIES PARTY TO THIS

AGREEMENT WHICH WOULD RESULT IN APPLICATION OF AGENCY SAFEGUARDS UNDER THIS AGREEMENT.

ARGENTINA, ON BEHALF OF BRAZIL, PERU AND VENEZUELA SUPPORTED PAKISTANI STATEMENT.

12. FRG DEL WELCOMED TRILATERAL AND NPT SAFEGUARDS AGREEMENT WITH RESPECT TO ROK, AND NOTED THAT, REGARDING QUESTION OF TRANSFER OF TECHNOLOGY, HE CONSIDERED IT IMPORTANT THAT NUCLEAR FACILITIES DEVELOPED AS RESULT UNCLASSIFIED

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OF TECHNOLOGY TRANSFERS SHOULD BE ADEQUATELY SAFE-GUARDED.

13. UK DEL WELCOMED BOTH SAFEGUARDS AGREEMENTS AND INDICATED SUPPORT FOR TRILATERAL INCLUDING NEW FEATURES CONTAINED THEREIN.

14. CANADIAN DEL ALSO WELCOMED BOTH AGREEMENTS AND EXPRESSED SUPPORT FOR TRILATERAL. HE STRESSED THAT BG WAS CONSIDERING SAFEGUARDS AGREEMENT AND NOT RPT NOT SPECIFIC TRANSACTIONS WHICH MAY TAKE PLACE BETWEEN PARTIES INVOLVED. GOC POSITION WAS THAT FIRM UNDER-TAKING TO PRECLUDE DEVELOPMENT OF ANY NUCLEAR EXPLOSIVE DEVICE, ETC. WAS ESSENTIAL. HE NOTED THAT QUESTION OF TECHNOLOGY TRANSFER HAD BEEN CONSIDERED AT GREATH LENGTH ELSEWHERE IN UN FAMILY AND STRESSED POSITIVE ASPECTS INVOLVED IN TRANSFER OF NUCLEAR TECHNOLOGY, I.E., THAT SAFEGUARES WOULD FACILITATE SUCH TRANSFERS. HE AGREED WITH OTHER DELS THAT NO RPT NO PRINCIPLES WERE INVOLVED IN THIS TRILATERAL AND THAT IT SHOULD BE SUPPORTED.

15. SWEDISH DEL, IN BRIEF STATEMENT, SUGGESTED THAT BG REVERT TO QUESTION OF "INFORMATION" LATER.

16. SOUTH AFRICA ALSO SUPPORTED TRILATERAL AND AGREED THERE WERE NO RPT NO NEW CONCEPTS INVOLVED.

17. FRENCH DEL WOULD UP DEBATE BY ELABORATING ON FACT THAT THIS WAS FIRST SUPPLY INVOLVING REPROCESSING FACILITY AND STRESSED IMPORTANCE OF ASSURING THAT ANY OTHER SUCH FACILITIES IN RECIPIENT STATE SHOULD ALSO BE SAFEGUARDED. ACCORDINGLY, FRENCH POSITION WAS THAT EXPORT OF "SENSITIVE TECHNOLOGIES", I.E., RELATING TO REPROCESSING AND URANIUM ENRICHMENT, SHOULD NOT RPT NOT TAKE PLACE UNLESS THERE WERE ADEQUATE PROVISIONS FOR SAFEGUARDS.

18. BG CHAIRMAN THEN CONCLUDED BY INDICATING THAT,
IN HIS VIEW, BG DESIRED APPROVED AGREEMENT. TAPE

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